



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

May 3, 2007

Mr. David Cummings, President and registered agent for,
DC TRANSPORT & EXCAVATING INC
DBA DC Sand and Gravel
3650 Highway 248
Kamas, Utah 84036

Subject: Notice of Cancellation/Termination of Reclamation Surety Bond Number,
DC Transport & Excavating, Inc. dba DC Sand and Gravel, DC Mine, S/043/028,
Summit County, Utah

Dear Mr. Cummings:

Please review the enclosed copy of the Notice of Cancellation and/or Termination indicating the surety bond in the amount of \$18,600.00 is being cancelled and/or terminated in accordance to the provisions of the agreement. According to the terms of the agreement, they may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met, therefore, effective July 27, 2007, the surety bond will be terminated. Paragraph 2 of the Reclamation Contract, states the Operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety within 60 days or on June 27, 2007 or the Division will be forced to do any/some of the following:

- **File claim for payment prior to termination date;**
- **Submit a request to the Board of Oil, Gas and Mining to withdraw the permit;**
- **Order the cessation of mining operations;**
- **Order immediate reclamation of all lands affected**



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David Cummings
S/043/028
May 3, 2007

Please direct correspondence and inquiry to: Surety Coordinator, Beth Ericksen (801) 538-5318 or Mr. Casey Jackson (801) 538- 5326 or Reclamation Specialist, Mr. Lynn Kunzler, (801) 538-5310. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

A handwritten signature in black ink that reads "Susan M. White". The signature is fluid and cursive, with the first name "Susan" being more prominent than the last name "White".

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:BE:be

Enc: Notice of Cancellation and/or Termination dated April 27, 2007

cc: Beth Ericksen, DOGM

Lynn Kunzler, DOGM

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THE
CINCINNATI INSURANCE COMPANIES

THE CINCINNATI INSURANCE COMPANY THE CINCINNATI INDEMNITY COMPANY
THE CINCINNATI CASUALTY COMPANY THE CINCINNATI LIFE INSURANCE COMPANY

Mailing Address: P.O. BOX 145496
CINCINNATI, OHIO 45250-5496
(513) 870-2000

April 27, 2007

RECEIVED

MAY 01 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
1594 WEST NORTH TEMPLE STE 1210
SALT LAKE CITY UT 84114

DIV. OF OIL, GAS & MINING

(CERTIFIED) MAIL—RETURN RECEIPT REQUESTED

Re: Bond No. _____ Effective Date 5-5-06 Amount \$18,600.00
 Principal DC TRANSPORT & EXCAVATING
 Obligee STATE OF UTAH
 Description RECALAMATION BOND

Gentlemen:

We are surety on the captioned bond. The terms and conditions of the bond state that, upon receipt of notice by (CERTIFIED) mail, we, as surety, shall be discharged from any liability for any default of the principal after the expiration of 90(NINETY) days.

This is our notice of cancellation.

Very truly yours,

THE CINCINNATI INSURANCE COMPANY

Cary Barrow
CARY BARROW

/TAS

cc: DC TRANSPORT & EXCAVATING
 3650 W HIGHWAY 248
 KAMAS UT 84036

UNIVERSAL BUSINESS INSURANCE
SALT LAKE CITY UT 43-011

S/043/028

